

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 01221 072144Z

64

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 SAM-01 EB-11 SCI-06 FEA-02 COME-00 INT-08

OMB-01 TRSE-00 DRC-01 /128 W  
----- 095848

R 072117Z FEB 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2674

LIMITED OFFICIAL USE CARACAS 1221

EO 11652: NA

TAGS: ENRG VE

SUBJECT: ROYALTY BASING PRICE INCREASED

1. VENEZUELAN GOVERNMENT HAS INCREASED BASING PRICE FOR ROYALTY PAYMENTS, EFFECTIVE FEB 1, TO AN AVERAGE OF \$14 PER BARREL. THE INCREASE DOUBLES ROYALTY BASING PRICES AND BRINGS THEM IN LINE WITH INCREASES IN TAX REFERENCE VALUES THAT HAVE TAKEN PLACE SINCE NOVEMBER, WHEN ROYALTY FORMULA WAS LAST AMENDED. LATEST ROYALTY FORMULA, LIKE PREVIOUS ONE, WAS ARRIVED AT AFTER NEGOTIATIONS BETWEEN OIL COMPANIES AND MINISTRY OF MINES AND HYDROCARBONS.

2. A TYPICAL ROYALTY PAYMENT WILL NOW BE ONE-SIXTH (1/6) OF \$14.00, OR \$2.33. BUT, ROYALTY PAYMENTS FOR OIL FROM NEWER CONCESSIONS, WHICH ARE CALCULATED AT 20-25 PERCENT, WILL BE HIGHER.  
MCCLINTOCK

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, ROYALTIES, PRICE INDEXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CARACA01221  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740250/aaaabumb.tel  
**Line Count:** 48  
**Locator:** TEXT ON-LINE  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 1  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 SEP 2002 by boyleja>; APPROVED <26-Sep-2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ROYALTY BASING PRICE INCREASED  
**TAGS:** ENRG, VE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005